



Final
Medium Term
Revenue and Expenditure
Framework (MTREF)

Annexure D
Sensitivity Analysis

2020/2021

Scenario Analysis

Scenario 1								
2020/21 Medium Term Revenue & Expenditure Framework			Collection rates			Billing increase		
Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	Draft Budget %	Draft Budget %	Draft Budget %	Year 1	Year 2	Year 3
Cash Receipts By Source								
229,279	229,279	229,279	Property rates	85.00%	90.00%	90.00%	0%	0%
292,706	307,926	335,332	Service charges - electricity revenue	99.87%	99.87%	99.87%		
73,338	73,338	73,338	Service charges - water revenue	79.00%	80.00%	85.00%	0%	0%
35,884	35,884	35,884	Service charges - sanitation revenue	63.00%	80.00%	80.00%	0%	0%
35,667	39,947	44,741	Service charges - refuse revenue	70.00%	80.00%	85.00%		
				0.00%				
5,728	6,015	6,316	Rental of facilities and equipment	70.00%	70.00%	80.00%		
4,722	9,443	9,443	Interest earned - external investments					
16,357	17,518	18,804	Interest earned - outstanding debtors	90.00%	90.00%	90.00%		
-	-	-						
122,543	128,671	135,104						
1,747	1,835	1,926						
3,150	3,308	3,473						
155,626	129,145	132,366						
8,950	9,544	10,022						
7,757	8,145	8,552						
993,455	999,998	1,044,580						

Scenario 2									
2020/21 Medium Term Revenue & Expenditure Framework									
Budget Year	Budget Year	Budget Year	Draft	Draft	Draft	Billing increase			
2020/21	+1 2021/22	+2 2022/23	Budget %	Budget %	Budget %	Year 1	Year 2	Year 3	
Cash Receipts By Source									
229,279	244,182	260,054	Property rates	85.00%	95.00%	95.00%	0%	6.50%	6.50%
292,706	307,926	335,332	Service charges - electricity revenue	99.87%	99.87%	99.87%			
73,338	78,105	83,182	Service charges - water revenue	79.00%	90.00%	90.00%	0%	6.50%	6.50%
35,884	38,217	40,701	Service charges - sanitation revenue	63.00%	90.00%	90.00%	0%	6.50%	6.50%
35,667	39,947	44,741	Service charges - refuse revenue	70.00%	90.00%	90.00%			
				0.00%					
5,728	6,015	6,316	Rental of facilities and equipment	70.00%	70.00%	80.00%			
4,722	9,443	9,443	Interest earned - external investments						
16,357	17,518	18,804	Interest earned - outstanding debtors	90.00%	90.00%	90.00%			
-	-	-							
122,543	128,671	135,104							
1,747	1,835	1,926							
3,150	3,308	3,473							
155,626	129,145	132,366							
8,950	9,544	10,022							
7,757	8,145	8,552							
993,455	1,022,000	1,090,015							

Scenario 3								
2020/21 Medium Term Revenue & Expenditure Framework			Billing increase					
Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	Draft Budget %	Draft Budget %	Draft Budget %	Year 1	Year 2	Year 3
Cash Receipts By Source								
236,158	251,508	267,856	Property rates	85.00%	95.00%	95.00%	3.00%	6.50% 6.50%
287,615	305,505	324,507	Service charges - electricity revenue	99.87%	99.87%	99.87%		
75,538	80,448	85,677	Service charges - water revenue	79.00%	90.00%	90.00%	3.00%	6.50% 6.50%
36,961	39,363	41,922	Service charges - sanitation revenue	63.00%	90.00%	90.00%	3.00%	6.50% 6.50%
35,667	39,947	44,741	Service charges - refuse revenue	70.00%	90.00%	90.00%		
				0.00%				
5,728	6,015	6,316	Rental of facilities and equipment	70.00%	70.00%	80.00%		
4,722	9,443	9,443	Interest earned - external investments					
16,357	17,518	18,804	Interest earned - outstanding debtors	90.00%	90.00%	90.00%		
–	–	–						
122,543	128,671	135,104						
1,747	1,835	1,926						
3,150	3,308	3,473						
155,626	129,145	132,366						
8,950	9,544	10,022						
7,757	8,145	8,552						
998,520	1,030,394	1,090,709						

Scenarios relating to Property rates, water and Sanitation

Millions Millions Millions
Y1 Y2 Y3

Scenario 1	No increase on Property rates, water and sanitation in either of 3 years	339	339	339
Scenario 2	No increase on Property rates, water and sanitation in Y1, 6.5% in Y2 and Y3	339	361	384
Scenario 3	3% Increase on Property rates, water and sanitation in Y1, 6.5% in Y2 and Y3	349	371	395

